

Public Gas Company
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

RECEIVED

JUN 28 2005

PUBLIC SERVICE
COMMISSION

June 27, 2005

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Public Gas Company
Case No. 2005-00266
GCR Filing Proposed to Become
Effective August 1, 2005

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective August 1, 2005. Also included are an original and five copies of 33rd revised sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$8.8851 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: June 27, 2005

Date Rates to be Effective: August 1, 2005

Reporting Period is Calendar Quarter Ended: October 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.9764
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.0913)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		8.8851

GCR to be effective for service rendered from August 1, 2005 to October 31, 2005

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	
÷	Sales for the 12 months ended _____	Mcf	
=	Expected Gas Cost (EGC)	\$/Mcf	
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch.III)		
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=	Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0949)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.0567
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0646)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0115
=	Actual Adjustment (AA)	\$/Mcf	(.0913)
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=	Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended January 31, 2005

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Gas Purch			MCF		SALES MCF
February 04			19,284	8.9764	18,668
March 04			15,317	8.9764	15,156
April 04			9,002	8.9764	8,997
May 04			3,762	8.9764	3,705
June 04			2,199	8.9764	2,151
July 04			3,278	8.9764	3,202
August 04			2,429	8.9764	2,371
Sept 04			2,517	8.9764	2,480
October 04			4,608	8.9764	4,494
November 04			10,151	8.9764	9,893
December 04			22,205	8.9764	21,704
January 05			20,182	8.9764	19,763
Totals			<u>114,934</u>		<u>112,584</u>

Line loss for 12 months ended January 2005 is 2.04 % based on purchases of 114,934 Mcf and sales of 112,584 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	
= Total Expected Gas Cost (to Schedule IA)	\$	

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

\$8.9764 Per Attached Schedule

Jefferson Gas, LLC

06/27/05

Expected gas price, August 2005, September 2005, and October 2005

Public Gas has asked for an estimate of their gas price for the months of August and September 2005, and October 2005.

	Gas price* to Public Gas
August	8.76
September	8.79
October	8.83

*Jefferson Gas purchases gas from various producers based on the NYMEX futures price. This index changes daily, and has been somewhat volatile in the past. Therefore, gas may be more or less than indicated above, depending on the actual NYMEX price for the periods indicated above. The above estimated gas prices were derived from the NYMEX futures prices issued by the NYMEX web site on June 22, 2005.

8 • 7600 +
8 • 7900 +
8 • 8300 +
26 • 3800 *

26 • 3800 ÷
3 • 0000 =
8 • 7933 +

8 • 7933 *

8 • 7933 ÷
0 • 9796 =
8 • 9764 +

8 • 9764 *

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/>		<hr/>
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended

April 30, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Feb. 05)</u>	<u>Month 2</u> <u>(Mar. 05)</u>	<u>Month 3</u> <u>(Apr. 05)</u>
Total Supply Volumes Purchased	Mcf	20,377	21,172	6,713
Total Cost of Volumes Purchased	\$	161,997.15	160,907.20	55,852.16
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	19,751	20,576	6,611
= Unit Cost of Gas	\$/Mcf	8.2020	7.8201	8.4484
- EGC in effect for month	\$/Mcf	8.2969	8.2969	8.2969
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.0949)	(.4768)	.1515
x Actual sales during month	Mcf	19,751	20,576	6,611
= Monthly cost difference	\$	(1,874.37)	(9,810.64)	1,001.57
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (10,683.44)
÷ Sales for 12 months ended <u>January 31, 2005</u>	Mcf			112,584
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			(.0949)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period)

	<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1)	Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
	Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	
	Equals: Balance Adjustment for the AA.	\$	_____
(2)	Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
	Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
	Equals: Balance Adjustment for the RA	\$	_____
(3)	Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
	Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
	Equals: Balance Adjustment for the BA.	\$	_____
	Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷	Sales for 12 months ended _____	Mcf	_____
=	Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

33rd Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

32nd Revised SHEET NO. 1

Public Gas Company
(Name of Utility)

RATES AND CHARGES

Applies to: All Customers

Rates, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	8.8851	12.1556
All Over	1 Mcf		2.1505	8.8851	11.0356

DATE OF ISSUE June 27, 2005
Month / Date / Year

DATE EFFECTIVE August 1, 2005
Month / Date / Year

ISSUED BY Bert R. Layne
(Signature of Officer)

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____